

You're a *what*?



Online seller

What would you do if you knew you couldn't fail? When a friend asked Ann Drew Yu that question, it prompted her to open her imagination. Eventually, she decided to take a risk and start her own business: developing an inspirational product that she now sells online.

An English teacher turned stay-at-home mom, Ann designed a product—a box with cards and other tools—to help girls and women direct their lives in a positive way. Her original idea was so popular, Ann created a different version for classrooms.

Ann likes that online sales have allowed her to connect with people as far away as Australia. “Having an online business gives me the reach of the world,” she says. “It gives me a platform to share what I think is a really useful and meaningful product.”

As online shopping has grown, so too has the number of people who make money selling products online. Online sellers can sell just about anything. Some, like Ann, design or create the products themselves. Others sell new merchandise, antiques, or used items, like books or toys.

Starting an online business can be as simple as having something to sell and access to the Internet. But there are a lot of factors to consider if you're going to have a business that thrives.

One is to have confidence in your idea, especially early on. “You really have to believe in what you're doing, because it's a twisty and bumpy road at times,” says Ann.

“If I didn't really believe in what I'm doing, I'm sure I would have walked away by now.”

Another factor for business success is helping your product to stand out among the millions of other products online. Search engine optimization is one way that online sellers like Ann ensure that their website link appears at or near the top of the results when people search for a product. “You can have the most useful or beautiful product ever,” Ann says, “but connecting it to the right people defines whether you have a business.”

One of the easiest ways to start selling online is to set up an account with an established shopping website, which brings in customers and provides guidance on how to sell online, usually at some cost to the seller. A leading site recommends that you start out selling an item you already have, to get a feel for how the process works.

In addition to deciding what to sell, you should also consider how much to charge, who will buy it, and how to sell to those buyers: through your own website or an online shopping site. Other decisions, such as shipping options and whether to accept returns, are important, too.

And creating your own product also requires being able to make what you are going to sell. Before Ann could make her box a reality, for example, she needed to find a manufacturer that could produce it for her. A friend who worked in merchandising helped Ann find a company that would make the boxes.

Elka Torpey

Elka Torpey is an economist in the Office of Occupational Statistics and Employment Projections, BLS. She can be reached at torpey.elka@bls.gov.

Photo courtesy of Ann Drew Yu.

Online sellers do a variety of tasks. They photograph and write descriptions of the items they will sell and put the information online. They calculate total purchase amounts, taxes, and shipping costs; process payments; and send orders. And they interact with customers to answer questions or resolve problems.

Many online sellers spend a lot of time promoting their products, either online—through social media, email, newsletters, advertisements, or blogs—or in their communities. Ann, for example, gives workshops and speaks in schools.

The U.S. Bureau of Labor Statistics does not have earnings or employment data for online sellers. But earnings for online sellers, like those for any self-employed workers, depend on factors such as demand for their products and how much money the sellers take in after accounting for expenses.

Keeping products affordable and competitively priced, while still making a profit, is often difficult when selling online, because consumers can easily compare products and prices.

Even for successful sellers, earnings fluctuate—so it's important not to rely too heavily on potential earnings from an online business. "If we were relying on my income alone instead of my husband's," Ann says of her family's finances, "I would not have been able to quit my day job."

As self-employed workers, online sellers have other expenses, too. These often include health insurance and saving for retirement. Prospective sellers should also check to see if they need a seller's permit or if their state has other requirements for people who sell products online.

Frequently, online sellers work part time at their business, perhaps holding another job or, like Ann, raising a family. Work hours are often irregular, as sellers occasionally need to work additional or unusual hours to fill orders. But they have more control over their schedules than does someone who works a traditional, 9-to-5 job.

No formal education is required to become an online seller. Still, it's important to



By selling her products online, Ann Drew Yu has the reach of the world from her own home.

have good writing skills for crafting product descriptions and other web content, strong organizational and bookkeeping ability for keeping track of earnings and expenses, and resourcefulness for figuring out how to get products noticed.

Some level of technical skill for creating and managing an online presence is helpful, says Ann. Although other online sellers may work on search engine optimization and site design themselves, Ann hires people to do these tasks for her.

But technical ability and other skills aren't always enough to turn a good idea into a profitable venture. Success for most online sellers doesn't happen overnight: It takes a lot of hard work and a willingness to adapt as you go along.

"When you're an entrepreneur, you're not following a path," says Ann. "You're learning from what other people have done, sure, but you're making your own way."

